

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS EMERGENCY MEETING

November 2, 2012

PUBLIC SESSION

An emergency meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on November 2, 2012 at approximately 1:00 p.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. William Parsons, and Mr. Jose Monteiro.

The following Director(s) were absent: Ms. Yahaira Placencia.

Also present were: Sean W. Esten, Corporation Administrator, Stacy Farrell, Corporation Secretary, Daniel Price, Corporation Administrator, Armeather Gibbs, RIEDC Staff, Denise Barge, RIEDC Staff and Tom Carlotto, Esq. Legal Counsel, Shechtman Halperin Savage, LLP.

Mr. Fogarty presided over the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 1:08 p.m.

2. Disaster Relief Fund Set Aside Request- \$1,000,000

Mr. Esten explained to the Board that the reason for the emergency meeting was to seek approval of a disaster relief loan program for those small businesses in Rhode Island that were adversely affected by Hurricane Sandy. He indicated that the term and conditions were similar to those presented for consideration when the area was affected by Tropical Storm Irene in 2011. The total fund allocation was to be \$1,000,000, with a minimum request of \$10,000 and a maximum request of \$25,000. There was some discussion regarding the loans approved and closed under the set aside for Tropical Storm Irene. Staff indicated that approximately twenty applications were sent out to potential borrowers. Five completed applications were returned and approved. Four closed with the fifth being withdrawn due to the Borrowers refusal to offer a personal guarantee, which was a requirement of the program. Mr. Esten provided the Board with a Resolution (Exhibit A) which outlined the conditions of the disaster relief loan program and contained

accompanying exhibits outlining the terms and conditions, a sample application, sample credit offering memorandum, and credit policy. There was some discussion regarding the deadlines for the program. It was decided that the resolution should be revised to include the notation that applications under the program must be received prior to January 13, 2013 and that the program would terminate on March 15, 2013. The Board then inquired whether restaurants could be considered under this program. Mr. Esten felt that the loss of food should generally be covered in the insurance policies of these establishments; however a restaurant could receive consideration under the program. Mr. Esten noted that staff would not be approving requests; however it would issue a qualifying letter and begin to draw up closing documents for recommended credits. The Board would then need to meet in order to ratify the actions of staff and provide a formal approval. The loan would then close. The Board noted that they would try to make themselves available for additional meetings if necessary to expedite the process. A motion was made by Mr. Parsons to approve the Resolution for the disaster relief fund with the addition of the Program deadline and termination date. The motion was seconded by Mr. Monteiro.

The following Directors voted in favor of the foregoing: Mr. Monteiro, Mr. DeMerchant and Mr. Parsons.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Ms. Placencia.

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Mr. Parsons and seconded by Mr. Monteiro, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. DeMerchant, Mr. Parsons, and Mr. Monteiro.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Ms. Placencia.

The meeting was adjourned at 1:46 p.m.

Respectfully submitted,

/s/ Stacy Farrell
Stacy Farrell, Secretary